

Message Text

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PAGE 01 LISBON 01921 101818Z
ACTION EUR-12

INFO OCT-01 ISO-00 OPIC-03 TRSE-00 CIAE-00 EB-08 INR-07
LAB-04 NSAE-00 SIL-01 /036 W
-----110423Z 109861 /73
R 101620Z MAR 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 0492
INFO AMCONSUL OPORTO
USDOC WASHDC

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E.O. 11652: N/A
TAGS: EINV, PO
SUBJECT: WEEKLY SUMMARY OF AMERICAN INVESTMENT PROBLEMS

REF: A) LISBON 1843, B) LISBON 1694 AND PREVIOUS
C) LISBON 1635 AND PREVIOUS

1. A. GENERAL INSTRUMENTS LUSITANA (GIL): ON MARCH 9 TWO GIL REPRESENTATIVES INFORMED EMBASSY THAT GIL AND GOP HAVE SIGNED PROTOCOL OF INTENTION. DOCUMENT BEING POUCHED. GIL AND GOP HAVE AGREED TO SIGN FINAL ACCORD WITHIN 60 DAYS. GIL EXPRESSED SATISFACTION WITH TERMS OF AGREEMENT, BUT NOT WITH WORDING OF SOME CLAUSES.

B. RESOLUTION OF CUTOMS AND TAXATION PROBLEMS BASICALLY ACCEPTABLE TO GIL, BUT SIZE OF PORTUGUESE CUSTOMS FINE STILL NOT DETERMINED.

C. GIL AND GOP AGREED TO COLLABORATE ON RESOLVING EXCESS WORKER PROBLEM. GIL LEANING TOWARD FUTURE WORKER DISMISSALS, BUT LAYOFFS WILL NOT BE AS LARGE AS THE 250-300 FIGURE PREVIOUSLY SUGGESTED.

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D. PRICE FOR GOP PURCHASE OF GIL LAND AND BUILDINGS WILL BE NO LESS THAN \$950,000. GIL EXPECTS TO USE THIS AMOUNT TO PAY STILL UNDETERMINED CUSTOMS FINE AND TO FINANCE FUTURE INVESTMENTS.

E. REGARDING FUTURE INVESTMENT: GIL CLAIMS LOCAL ENVIRONMENT LOOKS REASONABLY GOOD IF CERTAIN RESTRICTIONS,

SUCH AS THOSE ON WORKER LAYOFFS, CAN BE LIBERALIZED.
LOCAL COMPANY REPORTEDLY REQUIRES \$300,000 RENOVATION
PROGRAM IF IT IS TO REMAIN COMPETITIVE.

2. ITT: ON MARCH 7 STANLEY LUKE TELEPHONED TO
INQUIRE IF EMBASSY HAD RECEIVED ANY ADDITIONAL INFORMATION
ON GOP RESPONSE TO ITT PROPOSAL. HE WAS INFORMED
THAT AMBASSADOR HAD RAISED SUBJECT WITH PRIME MINISTER
SOARES ON MARCH 4 AND WAS PURSUING THIS QUESTION WITH
MINISTER SOUSA GOMES. AMBASSADOR, AFTER SPEAKING WITH
SOUSA GOMES, PHONED LUKE ON MARCH 8 TO INFORM HIM
THAT SOUSA GOMES' STAFF HAD PREPARED INITIAL RESPONSE
TO ITT PROPOSAL, BUT THE MINISTER WAS NOT SATISFIED
WITH IT. SOUSA GOMES HAD, THEREFORE, INSTRUCTED HIS
STAFF TO PREPARE ANOTHER RESPONSE BY MARCH 15.

3. LATRIQUE: FOR LATEST LATRIQUE DEVELOPMENTS, SEE
REF A.

4. APPLIED MAGNETICS (AM): EMBASSY IS AWAITING
RESPONSE FROM MINISTRY OF FINANCE REGARDING APPOINTMENTS
FOR AM REPRESENTATIVES.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESS FIRMS, CONTRACTS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON01921
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770083-0984
Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770374/aaaacmx.e.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 07aed1ba-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 LISBON 1843, 77 LISBON 1694
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Dec-2004 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
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Review Withdrawn Fields: n/a
SAS ID: 3152056
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Subject: WEEKLY SUMMARY OF AMERICAN INVESTMENT PROBLEMS
TAGS: EINV, PO, US, GENERAL INSTRUMENTS LUSITANA, GIL
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/07aed1ba-c288-dd11-92da-001cc4696bcc
Review Markings:
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